SaskTel

Financial Statements of

NAVIGATA COMMUNICATIONS PARTNERSHIP

December 31, 2005

2007-00021

SaskTel

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President's Message

Navigata is a majority owned subsidiary of SaskTel, operating as Navigata Communications Ltd. Navigata provides a full range of telecommunications products and services including local, long distance, internet, telephone cards (prepaid and postpaid), high speed data, hosting, web services and wholesale carrier services to customers across Canada and internationally.

Our primary goal in 2005 was to restructure the organization, setting a foundation for growth into the future, leading toward profitability. In doing so, our overriding objectives were to stabilize revenues, decrease operating costs and improve operating margins. The restructuring consisted of headcount reductions, sales product and channel rationalizations, and network optimization.

These measures, which occurred throughout the year, reduced revenues by 7%, cost of sales by 10% and overheads by 11%. The result is an increase in Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) of 37%. The net loss from 2004 of $16M was reduced to a net loss of $6.3M before one-time year end adjustments. A review of assets at December 31, 2005 required an additional write-down or asset impairment of $15.3M. This created a net loss for the year of $21.6M.

Navigata completed an executive restructuring in 2005. By year-end an entirely new executive team was in place. Our focus during the fall was to stabilize the remaining customer base, prepare a business plan that reflected the realities of the downsizing and build processes and structures to support sales initiatives for new products to be delivered by SaskTel in 2006.

Despite the financial challenges currently facing Navigata, we believe that this company will be successful as a vehicle for delivering next generation IP-based services to customers throughout Canada. Navigata will evolve into a sales and marketing channel to sell SaskTel developed products and services, so as to take advantage of SaskTel's network and systems. VoIP services, fixed wireless access through Wi-Fi and similar technologies, and continued outstanding customer service are the keys to Navigata's success.

Navigata remains core to SaskTel's business and is a necessary component in its future success. In fact, Navigata represents an expansion of customer base that will be essential to SaskTel's long-term vitality. Navigata's go-forward focus will be to build on the aforementioned foundation and successfully implement the SaskTel out-of-province growth strategy.

Jim Pitt
President and CEO, Navigata Communications

KPMG

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AUDITORS' REPORT

To the Members of the Legislative Assembly, Province of Saskatchewan

We have audited the statement of financial position of Navigata Communications Partnership as at December 31, 2005 and the statements of operations, partners' equity and cash flows for the year then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Partnership as at December 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Regina, Canada
February 8, 2006

KPMG LLP, a Canadian limited liability partnership is the Canadian member firm of KPMG International, a Swiss cooperative

Navigata Communications Partnership

Statement of Operations

For the period ended December 31, (Thousands of dollars)	2005	2004 (nine months)
Operating revenues	**$59,752**	$48,690
Inter-carrier and other costs of sales	**41,334**	34,955
	18,418	13,735
Operating expenses		
Operations	**20,849**	20,460
Depreciation and amortization	**3,314**	4,685
Write-down of long-lived assets (Note 3)	**15,282**	-
Restructuring charges (Note 4)	**108**	2,242
	39,553	27,387
Income (loss) from operations	**(21,135)**	(13,652)
Interest expense	**(527)**	(598)
Interest and other income	**16**	389
Net income (loss)	**$(21,646)**	$(13,861)

See Accompanying Notes

Statement of Partners' Equity

For the period ended December 31, (Thousands of dollars)	2005	2004 (nine months)
Balance, beginning of period	**$13,300**	$-
Units issued on formation of Partnership	**-**	15,161
Units issued for cash 11,500,000 units (2004 - 12,000,000)	**11,500**	12,000
Net income (loss)	**(21,646)**	(13,861)
Balance, end of period	**$3,154**	$13,300

See Accompanying Notes

Navigata Communications Partnership

Statement of Financial Position

As at December 31, (Thousands of dollars)	**2005**	2004
Assets		
Current assets		
Cash and short-term investments (Note 5)	**$3,225**	$ -
Accounts receivable	**6,367**	9,295
Inventories	**431**	446
Prepaid expenses	**302**	314
	10,325	10,055
Property, plant and equipment (Note 6)	**11,736**	27,335
Intangible assets (Note 7)	**146**	392
	$22,207	$37,782
Liabilities and partners' equity		
Current liabilities		
Bank indebtedness	**$-**	$36
Accounts payable and accrued liabilities	**11,128**	12,632
Deferred revenues	**4,689**	5,004
Current portion of long-term debt (Note 8)	**2,430**	3,160
	18,247	20,832
Long-term debt (Note 8)	**402**	3,650
Asset retirement obligation (Note 9)	**404**	-
	19,053	24,482
Partners' equity	**3,154**	13,300
	$22,207	$37,782

See Accompanying Notes

On behalf of the Partners

Robert Watson

Randy Stephanson

Statement of Cash Flows

For the period ended December 31, (Thousands of dollars)	2005	2004 (nine months)
Cash provided by (used in):		
Operating activities		
Net income (loss)	**$(21,646)**	$(13,861)
Items not affecting cash (Note 11)	**18,633**	4,685
Other operating items (Note 12)	**1,136**	103
	(1,877)	(9,073)
Financing activities		
Repayment of capital lease obligations	**(2,974)**	(2,155)
Proceeds (repayment) from long-term debt	**(1,004)**	924
Proceeds from partnership units issued	**11,500**	12,000
	7,522	10,769
Investing activities		
Cash assumed on formation of partnership	**-**	2,332
Property, plant and equipment expenditures	**(2,384)**	(4,064)
	(2,384)	(1,732)
Increase (decrease) in cash during the period	**3,261**	(36)
Cash and cash equivalents, beginning of period	**(36)**	-
Cash and cash equivalents, end of period	**$3,225**	$(36)
Comprised of:		
Cash	**$728**	$-
Short-term investments	**2,497**	-
Bank indebtedness	**-**	(36)
	$3,225	$(36)
Interest paid	**$527**	$598

See Accompanying Notes

Notes to Financial Statements

Note 1 – The Partnership

Navigata Communications Partnership (the Partnership) is registered under the *Partnership Act* (Alberta). Navigata Communications Partnership operates under the name Navigata Communications. Navigata Communications, Ltd. (Navigata) holds bare title to all assets of the Partnership as bare trustee for the sole use and benefit of the Partnership and acts in respect of the Partnership in accordance with the instructions and directions given to it by the Partnership. Navigata provides a full range of data and voice telecommunications services and products, including high-speed data networking, internet access, hosting services, web design, long distance service and local phone service, to business and residential customers located in British Columbia, Alberta, Ontario and Quebec.

These financial statements include only the assets, liabilities, revenues and expenses of the Partnership and do not include any other assets, liabilities, revenues or expenses of the Partners.

These financial statements have been prepared on a going concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business, notwithstanding that significant operating losses were incurred. The application of the going concern concept is dependent on the continuing support of the Partners and the ability to develop and maintain profitable operations. Accordingly, these financial statements do not include any adjustments related to the recoverability of assets and classification of assets and liabilities that might be necessary should the Partnership be unable to continue as a going concern.

Note 2 – Summary of significant accounting policies

These financial statements have been prepared in accordance with accounting principles generally accepted in Canada.

Cash and short-term investments

Cash and short-term investments include investments in money market instruments, which are purchased with maturity dates of less than 90 days.

Inventories

Materials, supplies and inventories are recorded at the lower of cost and net realizable value. Cost is determined using an average-cost basis.

Property, plant and equipment

Property, plant and equipment is recorded at cost including materials, services and direct labour.

Depreciation and amortization of property, plant and equipment is computed on a straight-line basis, using rates determined by a continuing program of engineering studies for each class of property in service.

Asset	Estimated useful life
Plant and equipment	5 - 30 years
Office furniture, equipment and leaseholds	3 - 5 years

Notes to Financial Statements

Note 2 – Summary of significant accounting policies, continued

With respect to property, plant and equipment acquired, constructed or developed over time, the Partnership follows the policy of capitalizing related equipment, construction, development and installation costs as plant under construction. These costs are then depreciated and amortized on a basis consistent with the Partnership's depreciation and amortization policy from the date the asset is substantially completed and put into productive use.

Impairment of long-lived assets

Long-lived assets, including property, plant and equipment, and intangible assets with finite useful lives are amortized over their useful lives. The Partnership reviews long-lived assets for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized on a long-lived asset to be held and used when its carrying value exceeds the total undiscounted cash flows expected from its use and eventual disposal. The amount of loss recorded is determined by deducting the asset's fair value from its carrying value.

Asset retirement obligations

Asset retirement obligations are initially measured at fair value and are adjusted for any changes resulting from the passage of time and any changes to the timing or amount of the original estimate of undiscounted cash flows. The asset retirement cost is capitalized as part of the related asset and is amortized into earnings over the asset's useful life.

Intangible assets

Intangible assets are recorded at cost of acquisition or development, including where applicable direct development costs, overhead costs directly attributable to development activity and betterment costs. Intangible assets with a finite useful life are amortized using the straight-line method at rates that will reduce the cost to any estimated residual value over the estimated useful life.

Asset	Estimated useful life
Customer accounts	3 years
Spectrum licenses	3 years

Intangible assets with a finite life are tested for impairment when events or changes in circumstances indicate that their carrying value may not be recoverable. They are written down to fair value when the related undiscounted cash flows are not expected to allow for recovery of the carrying value.

Employee future benefits

The Partnership has defined benefit plans for all employees. The Partnership has adopted the following policies:

Notes to Financial Statements

Note 2 – Summary of significant accounting policies, continued

The cost of accrued benefit obligations earned by employees is actuarially determined using the projected benefit method prorated on service and management's best estimate of expected plan investment performance, salary escalation and retirement ages.

For the purpose of calculating expected return on plan assets, those assets are valued at fair value. The fair value of cash and other short term investments approximates book values due to their short term nature. The fair value of equities is based on quoted market prices.

Past service costs from plan amendments are deferred and amortized on a straight-line basis over the average remaining service period of employees who are active as of the date of the amendment.

Actuarial gains (losses) on plan assets arise from the difference between the actual return on plan assets for a period and the expected return on plan assets for that period. Actuarial gains (losses) on the accrued benefit obligation arise from differences between actual and expected experience, and from changes in the actuarial assumptions used to determine the accrued benefit obligation. Actuarial gains (losses) over 10% of the greater of the accrued benefit obligation and the fair value of the plan assets are amortized over the average remaining service period of active employees.

When the restructuring of a benefit plan results in both a settlement and a curtailment of obligations, the curtailment is accounted for prior to the settlement.

Revenue recognition

Substantially all of the Partnership's revenues are derived from the provision of data and voice telecommunications services and products. Revenues from the sale of services are recognized based on customer usage as measured by the Partnership's switches or on a job or phase completion basis, as appropriate to the nature of the contractual agreement under which the services are provided. Revenues from the sale of products are recognized when such products are delivered and accepted by customers. Revenues for longer term consulting contracts are recognized in accordance with the terms of the contract.

Income taxes

As the Partnership is unincorporated, no provision has been made in the accounts for partners' income taxes.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent asset and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include the provision for bad debts, capitalization of labour and overhead, useful lives of depreciable assets, asset retirement obligations and the recoverability of property plant and equipment and intangible assets using estimates of future cash flows. The inherent uncertainty involved in making such estimates and assumptions may impact the actual results reported in future periods.

Notes to Financial Statements

Note 3 – Impairment of long-lived assets

During the fourth quarter, as a result of operating losses and a restructuring of operations, management conducted asset impairment tests on the assets of the Corporation. As a result of these tests, the Corporation has recorded a write-down of property, plant and equipment of $15.3 million. The fair value for calculating impairment was determined by reference to available market prices and internal engineering estimates.

The calculation of fair value is particularly sensitive to the key assumptions noted above. Given the inherent imprecision and corresponding importance of the key assumptions used in the impairment tests, it is possible that changes in future conditions may lead management to use different key assumptions which could require a material change in net carrying amount of these assets.

Note 4 – Restructuring charges

In response to competitive conditions, the Partnership approved a plan in December 2005 to reduce its workforce. The workforce reductions are ongoing and are expected to be completed by December 2006.

The table below provides a summary of the costs recognized and the liability recorded, mostly related to severance and benefits:

	2005	2004
	(Thousands of dollars)	
Balance in accounts payable and accrued liabilities, beginning of period	**$2,242**	$-
Restructuring charges	**108**	2,242
Cash payments	**(819)**	-
Balance in accounts payable and accrued liabilities, end of period	**$1,531**	$2,242

Note 5 – Cash and short-term investments

Short-term investments represent funds invested with Holdco at an interest rate of 3.13%.

Notes to Financial Statements

Note 6 – Property, plant and equipment

	Cost	Accumulated depreciation and amortization	Net book value	
			2005	2004
			(Thousands of dollars)	
Buildings	**$4,470**	**$2,141**	**$2,329**	3,653
Plant and equipment	**$30,178**	**$23,369**	**$6,809**	18,984
Office furniture, equipment and leaseholds	**2,442**	**2,256**	**186**	2,122
Materials and supplies	**511**	**56**	**455**	576
Plant under construction	**1,957**	**-**	**1,957**	2,000
	$39,558	**$27,822**	**$11,736**	27,335

During the year, the Corporation recorded a long-lived asset impairment of $15,282,268, which has been included in accumulated depreciation and amortization. Depreciation and amortization of property, plant and equipment during the period totalled $3,068,181 (2004 – $4,440,527). Property, plant and equipment includes assets under capital leases of $4,406,594 (2004 -$9,473,353) and accumulated depreciation and amortization of $3,159,369 (2004 - $2,876,639).

Note 7 – Intangible assets

	Cost	Accumulated amortization	Net book value	
			2005	2004
			(Thousands of dollars)	
Customer accounts	**$800**	**$800**	**$-**	$113
Spectrum licenses	**400**	**254**	**146**	279
	$1,200	**$1,054**	**$146**	$392

Amortization during the period totalled $245,833 (2004 -$244,339).

Notes to Financial Statements

Note 8 – Long-term debt

	Years to Maturity	Weighted Average Interest Rate (%)	2005	2004
			(Thousands of dollars)	
Saskatchewan Telecommunications	2	4.27%	**$314**	$1,318
Capital lease obligations (a)	1		**2,518**	5,492
Total long-term debt			**2,832**	6,810
Less current portion of long-term debt			**2,430**	3,160
			$402	$3,650

(a) Certain property, plant and equipment have been acquired under lease transactions which are accounted for as purchases. The capital lease obligations recorded in these financial statements reflect the present value of future minimum payments under these leases, discounted at the interest rates implicit in the leases. The interest rates implicit in these leases primarily range between 6.9% and 13.1%, with a weighted average of 7.5%. The lease agreements expire in 2006. During the period, the Partnership did not acquire property, plant and equipment under capital leases.

	2005	2004
	(Thousands of dollars)	
2005	**$-**	$3,762
2006	**2,784**	2,563
2007	**68**	-
2008	**20**	-
2009	**23**	-
Aggregate future minimum lease payments	**2,895**	6,325
Portion representing implied interest	**377**	833
Capital lease obligations	**2,518**	5,492
Less current portion	**2,430**	3,160
Long-term portion	**$88**	$2,332

Interest expense on capital lease obligations during period totalled $539,648 (2004 - $595,510).

Notes to Financial Statements

Note 9 – Asset retirement obligations

The Partnership has recorded an asset retirement obligation for the estimated costs of restoring certain leased sites to their original condition. The restoration date is estimated based on the estimated useful lives of the assets residing on the land. The following is a reconciliation of the changes in the asset retirement obligation during the period.

(Thousands of dollars)	2005	2004 (nine months)
Balance, beginning of the period	$-	$-
Liabilities incurred during the period	367	-
Accretion expense	37	-
Balance, end of the period	$404	$-

The accretion expense is included in expenses from operations. The undiscounted estimated cash flows required to settle the obligation are approximately $4.0 million in the year 2029. The cash flows are discounted using a rate of 10.0%, which takes into account a credit-adjusted risk-free rate, a market risk premium for unforeseeable circumstances and the rate of inflation over the expected years to settlement.

Other assumptions used by management to determine the carrying amount of the asset retirement obligation are: labour costs based on current marketplace wages required to reclaim the land and salvage existing equipment.

Note 10 - Employee benefit plans

The Partnership has certain defined benefit plans providing pension benefits to employees, a Basic Plan and an individual pension plan for a former senior officer.

Effective August 23, 2004, the Basic Plan was curtailed and benefits are no longer accruing to the employees. The Partnership has made application to the Office of the Superintendent of Financial Institutions and it is anticipated that the plan will be settled in 2006. The balance of the deficit, which will be recognised when the settlement occurs, is estimated to be $2.4 million. As of December 31, 2005, benefits resulting from the windup have not been disbursed.

The actuarial valuation is measured using management's best estimates based on assumptions that reflect the most probable set of economic circumstances and planned courses of action. The estimates, therefore, involve risks that the actual amounts may differ materially from the estimates. For the purposes of the accrued benefit obligation, the windup of the Basic Plan has been treated as a curtailment effective August 23, 2004.

Information about the Partnership's employee benefit plans as at and for the period ended December 31, 2005, in aggregate, is as follows:

Notes to Financial Statements

Note 10 – Employee benefit plans, continued

Key assumptions used as inputs to the actuarial calculations are:

	2005	2004
Discount rate, accrued benefit obligation (1)	**5.44%**	5.62%
Discount rate, benefit expense (2)	**5.62%**	6.05%
Expected return on plan assets (3)	**2.13%**	5.28%
Inflation rate (IPP)	**N/A**	3.00%
Expected salary increase	**N/A**	4.00%
Post-retirement index (4)	**3.20%**	2.00%

(1) Due to the curtailment and anticipated windup of the Basic Plan, the discount rate used represented the expected rate available to settle the related obligations. The applicable discount rate is 5.45%. In addition, the discount rate for the Individual Plan was based on high quality corporate bond yields, and is 5.0% at December 31, 2005. The rate of 5.44% shown in the table represents the liability weighted discount rates of the Basic Plan and the IPP.

(2) Due to the curtailment and anticipated windup of the Basic Plan, the discount rate used represented the expected rate available to settle the related obligations. The applicable discount rate is 5.62%. In addition, the discount rate for the Individual Plan was based on high quality corporate bond yields, and is 5.75% at December 31, 2004. The rate of 5.62% shown in the table represents the liability weighted discount rates of the Basic Plan and the IPP.

(3) Since the curtailment of the Basic Plan on August 23, 2004, the assets of the Basic Plan have been invested in a money market fund. The expected rate of return on assets is 2.0% per annum. The expected rate of return on assets of the IPP is 7.0% The rate of 2.13% shown in the table represents the asset weighted expected return of assets of the Basic Plan and the IPP.

(4) The post-retirement index for the Basic Plan is 3.2% for 7 years commencing January 1, 2005 and 1% per year thereafter and 3.0% per year for the IPP.

Pension plan assets

The table below shows the allocation of pension plan assets at December 31, 2005.

	2005		2004	
Asset category	Basic Plan	Individual Pension Plan	Basic Plan	Individual Pension Plan
Debt securities	-	39%	-	37%
Equity securities	-	56%	-	58%
Cash and other short term	100%	5%	100%	5%
	100%	100%	100%	100%

Notes to Financial Statements

Note 10 – Employee benefit plans, continued

The table below shows the components of the combined pension plan cost:

Benefit expense

	2005	2004
		(Thousands of dollars)
Employer current service cost – defined benefit plan	$ -	$640
Interest cost	613	707
Return on pension plan assets	(188)	(522)
Actuarial (gains) losses	83	(946)
Impact of curtailment	-	1,035
Amortization of net transitional asset	(26)	(24)
Net pension expense	$482	$890

(1) Includes difference between actual and recognized impact of curtailment.

The accrued benefit obligation, plan assets and deferred pension cost table below show the change in the defined benefit pension plans and the change in the fair value of the plans' assets during the period and the status of the plan as at December 31, 2005:

Accrued benefit obligation

	2005	2004
		(Thousands of dollars)
Accrued benefit obligations, beginning of period	$10,781	$12,821
Current service cost	-	972
Interest cost	613	707
Benefits paid	(212)	(2,271)
Impact of curtailment	-	(1,035)
Actuarial losses (gain)	511	(413)
Accrued benefit obligation, end of period	$11,693	$10,781

Plan assets

	2005	2004
		(Thousands of dollars)
Fair value of plan assets, beginning of period	$8,762	$9,926
Actual return on plan assets	259	(107)
Employer contributions	237	882
Employee contributions	-	332
Benefits paid	(212)	(2,271)
Fair value of plan assets, end of period	$9,046	$8,762

Notes to Financial Statements

Note 10 – Employee benefit plans, continued

Accrued benefit liability	2005	2004
		(Thousands of dollars)
Funded status – deficit	$(2,647)	$(2,019)
Unamortized transitional asset	(320)	(346)
Unamortized net actuarial losses	2,689	2,332
Accrued employee benefit liability	$(278)	$(33)

Note 11 – Items not affecting cash

(Thousands of dollars)	2005	2004 (nine months)
Write-down of long-lived assets	$15,282	$-
Depreciation and amortization	3,314	4,685
Accretion of asset retirement obligations	37	-
	$18,633	$4,685

Note 12– Other operating items

(Thousands of dollars)	2005	2004 (nine months)
Changes in non-cash working capital:		
Accounts receivable	$2,928	$(671)
Inventories	15	(446)
Prepaid expenses	12	363
Accounts payable and accrued liabilities	(1,504)	(54)
Deferred revenue	(315)	911
	$1,136	$103

Note 13 – Financial instruments

Credit risk

The Partnership has a sufficiently diversified customer base that it is not subject to any significant concentration of credit risk.

Currency risk

A portion of the Partnership's accounts receivable and accounts payable are denominated in United States dollars.

Notes to Financial Statements

Note 13 – Financial instruments, continued

Fair value

The carrying values of cash, short-term investments, accounts receivable and accounts payable and accrued liabilities reflected in the statement of financial position approximate their respective fair values due to the short-term nature of these instruments.

Fair values approximate amounts at which financial instruments could be exchanged between willing parties, based on current markets for instruments with similar characteristics, such as risk, principal and remaining maturities. The fair value of long term debt and obligations under capital leases is not determinable at this time due to the financial support provided by the Partners.

Note 14 – Related party transactions

The Partnership conducts transactions with the Partners as related parties. Transactions with the Partners and parties related to the Partners are recorded as described below.

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies, boards and commissions related to Crown Investments Corporation of Saskatchewan by virtue of common control by the Government of Saskatchewan and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan (collectively referred to as "related parties").

Routine operating transactions with related parties are settled at prevailing market prices under normal trade terms. Other transactions in the normal course of operations are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Transactions and amounts outstanding with related parties at period end are as follows:

(Thousands of dollars)	**2005**	2004 (nine months)
Operating revenues	**$8,381**	$5,163
Operating expenses	**1,521**	1,067
Interest expense	**17**	3
Accounts receivable	**842**	799
Accounts payable and accrued liabilities	**200**	2,931
Property, plant and equipment expenditures	**12**	1,828
Property, plant and equipment disposals	**-**	2,750

Notes to Financial Statements

Note 15 – Commitments and contingencies

The Partnership has entered into various agreements providing it with a long-term supply of telecommunication network facilities, including network usage agreements and also leases certain office premises and equipment under operating leases. The future minimum payments under these agreements and leases in each of the next five years are as follows:

	(Thousands of dollars)
2006	$21,858
2007	4,048
2008	4,548
2009	1,575
2010	925

The above commitments include payments of $5.6 million with related parties.

In the normal course of operations, the Partnership becomes involved in various claims and litigation. While the final outcome with respect to claims and litigation pending at December 31, 2005 cannot be predicted with certainty, it is the opinion of management that their resolution will not have a material adverse effect on the Partnership's financial position or results of operations.

Note 16 – Comparative figures

Certain of the 2004 figures have been reclassified to conform to the current year's presentation.